

necessary, and to report to the full Committee on all measures or matters for which it was created. Chairmen of subunits of the Committee shall set meeting dates with the approval of the Chairman of the full Committee, with a view toward avoiding simultaneous scheduling of Committee and subunit meetings or hearings wherever possible. It shall be the practice of the Committee that meetings of subunits not be scheduled to occur simultaneously with meetings of the full Committee. In order to ensure orderly and fair assignment of hearing and meeting rooms, hearings and meetings should be arranged in advance with the Chairman through the clerk of the Committee.

RULE NO. 17: OTHER PROCEDURES AND REGULATIONS

The Chairman may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the committee.

RULE NO. 18: DESIGNATION OF CLERK OF THE COMMITTEE

For the purposes of these rules and the Rules of the House of Representatives, the staff director of the Committee shall act as the clerk of the Committee.

HONORING ERNIE BARKA

(Mr. BRADLEY of New Hampshire asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRADLEY of New Hampshire. Madam Speaker, I rise today to pay tribute to a dedicated New Hampshire resident who has devoted over 30 years of his life to public service, Mr. Ernie Barka.

Ernie passed away Monday, March 10, at the age of 80. He was a true civic leader in his community, devoting his life to others and improving the quality of life for residents, not only in his hometown but all over southern New Hampshire. He worked tirelessly to help those less fortunate and was a champion for the elderly and for children.

The son of Lebanese immigrants, Ernie learned strong family values and the importance of respect for others while working in his parents' grocery store. The strong work ethic instilled by his parents during his childhood carried over to all aspects of his adult life, particularly in his community and civic involvement.

Ernie served most recently as Rockingham County Commissioner and was a former State representative and former school board member in the town of Derry.

Ernie is credited with launching the Meals on Wheels program in Rockingham County. Leaders like Ernie exemplify the true spirit of civic responsibility and he will be truly missed. His efforts to make New Hampshire a better place to live have made a lasting impact on the people of New Hampshire that both knew him and knew of him. I am happy to have called Ernie my friend.

FINANCIAL CHALLENGES FACING THE NATION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Michigan (Mr. SMITH) is recognized for 60 minutes as the designee of the majority leader.

Mr. SMITH of Michigan. Madam Speaker, with this early session today it seemed like an appropriate time to talk about what I think are maybe three of the greatest problems that we are facing in the United States Congress in America outside of our economic security and our physical security with the wars going on in Iraq, with the challenge from the terrorists around the world. However, the financial problems that we are facing in Congress are also very serious, and I think we must reverse the rapid descent that we have been taking into extra deficits and overspending. So today I will talk about three areas: One, spending; two, the resulting debt; and, three, some of the financial challenges that face this Nation in the future.

The first chart I have is the a chart representing the last 10 years of spending; and discretionary spending has increased an average of 6.3 percent, 6.3 percent each year since 1996, and 7.7 percent each year since 1999. So it is somewhat flat. It starts going up in 1996 and then it really takes off from 1998, 1999 averaging 7.7 percent a year. That is two, three, depending on the year, sometimes almost four times the rate of inflation. So you can imagine if you project that on in this kind of growths of costs, government is going to be eating up more of our income, more of our gross domestic product in the years ahead.

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Why is this? How can we control ourselves from the overzealousness and the attractiveness to spend more money? Of course, politicians in this Chamber get elected every 2 years. The politicians in the other Chamber get elected every 6 years, and the tendency has been when a Member of Congress takes home more pork barrel projects, when they are doing something to solve some of the problems that we face in this country, then they get on television. They get on the front page of the paper. They become popular, especially with those people that need those services, and there is a greater propensity that they are going to get reelected.

So the tendency has been to spend more and more money, and we have changed our income tax system so that most of the people in the United States do not pay much of any income tax. It is the top 14 percent of taxpayers that pay something like 90 percent of the total income tax, and the bottom 50 percent of income taxpayers only pay about 1 percent of the income tax. So it is easy to understand that that bottom 50 percent is not outraged by increased

taxes and increased spending and increased borrowing, and this is the next issue I wanted to talk about is borrowing.

Three years ago, in the year 2000, we had a budget surplus of \$236 billion. This year we are approaching a \$500 billion deficit. So over \$700 billion changed from surplus to deficit in a total Federal spending budget that we are looking at this year of \$2.1 to \$2.2 trillion. Huge points, and again, that is because of the overzealousness to spend.

Let us look at what has happened as a result of that spending, and I think it is good to remind ourselves of the definitions. When we say "deficit" that means a year in which we are spending more money than the Federal Government has in revenues coming into the Federal Government, and "debt" is the accumulation of that annual overspending. So what does government do? We borrow more money.

As a safeguard to try to hold the line on borrowing, what we did many, many years ago is said, look, we cannot borrow, in fact, the Constitution prescribes it, we cannot borrow any extra indebtedness for this country unless it is a law passed by the Senate, the House and signed by the President, to try to put some restraints on the temptation to simply borrow more and more money and spend more and more of that money, and of course, this chart is an explanation, as best as we could portray it, in a blue line, a green line and a purple line, if you will, on the gross Federal debt and its components.

As we look at the bottom purple line, this is the debt held by government accounts. It is the money that we ask workers in this country to pay into the FICA tax, into the Social Security tax, designed in 1934, to be a forced saving so that while we are working, some of that money is taken out. FDR, Franklin Delano Roosevelt, said instead of having to go over the hill to the poor house, we are going to have mandatory savings during those years when a person is working, and then when they retire they will have more security, more Social Security. They will not have to go over the hill to the poor house.

So we came up with a Social Security system, and when we started, it was a situation where current workers paid in their taxes to pay for the benefit of current retirees. That is the same today.

Also, the extra money that is paid in by all Federal workers for their retirement programs, the money for the pensions of the military, our armed service members who pay in part of their wages for their retirement, that is all accounts held by the government, and what we assume in this Chamber, in the Senate and the White House, is that it is okay simply to write out an IOU and spend that money for other government services, but it technically is part of the debt, and as we see over the years, this debt held by government services continues to go up, at